

AN ACT

relating to the payment of wages by an employer through a payroll card account.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 61.001, Labor Code, is amended by adding Subdivision (6-a) to read as follows:

(6-a) "Payroll card account" means an account that is directly or indirectly established by an employer into which each participating employee's wages, salary, or other form of compensation is deposited on a recurring basis and for which the employee receives a payroll card to access the funds in the account.

SECTION 2. Section 61.016(a), Labor Code, is amended to read as follows:

(a) An employer shall pay wages to an employee:

(1) in United States currency;

(2) by a written instrument issued by the employer that is negotiable on demand at full face value for United States currency; or

(3) by the electronic transfer of funds to:

(A) a financial institution account designated by the employee; or

(B) a payroll card account established by the employer.

SECTION 3. Section 61.017, Labor Code, is amended by adding

1 Subsections (d) and (e) to read as follows:

2 (d) An employer may elect to pay wages to an employee  
3 through a payroll card account plan that is linked to a federally  
4 insured financial institution and uses electronic funds transfer to  
5 deposit wages in the employee's payroll card account. An employer  
6 who elects to pay wages through a payroll card account shall:

7 (1) not later than the 60th day before the date of the  
8 first electronic funds transfer to the payroll card account of an  
9 affected employee or, for an employee hired after the date the  
10 employer adopts the plan, not later than the employee's first day of  
11 work:

12 (A) notify the employee in writing regarding the  
13 employer's adoption of a payroll card account plan; and

14 (B) provide to the employee:

15 (i) a complete list of all fees associated  
16 with the employee's payroll card account in English, or, if the  
17 employer offers a payroll card account to an employee in a language  
18 other than English, in that other language; and

19 (ii) a form the employee may use to request  
20 an alternate form of payment if the employee elects to opt out of  
21 the payroll card account plan; and

22 (2) obtain from the employee any information required  
23 by the payroll card account issuer that is necessary to implement  
24 the electronic funds transfer.

25 (e) If an employee requests an alternate form of payment  
26 under Subsection (d)(1)(B)(ii), the employer shall pay the  
27 employee's wages in the alternate form as soon as practicable, but

1 not later than the first payday occurring after the 30th day after  
2 the employee requests the alternate form of payment.

3 SECTION 4. This Act takes effect September 1, 2019.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2240 was passed by the House on May 3, 2019, by the following vote: Yeas 140, Nays 0, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2240 was passed by the Senate on May 15, 2019, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor